
SELECT BOARD
Minutes of Virtual Meeting
May 4, 2020

I. Call to Order

Chairperson Laura Gregory called the meeting of the Select Board to order at 7:03 P.M. via Web-X. Participating remotely from the Select Board: Alex Vispoli, Annie Gilbert, Dan Koh, Chris Huntress and Laura Gregory.

Others participating remotely: Town Manager Andrew Flanagan, Deputy Town Manager Michael Lindstrom, Town Counsel Tom Urbelis, and Town Clerk Austin Simko. The meeting was duly posted and cablecast live.

Tonight's meeting is completely virtual. Residents can call in at 311 or 978-623-8311 or email manager@andoverma.gov

II. Opening Ceremonies

A. Moment of Silence/Pledge of Allegiance

The meeting began with a Moment of Silence followed by a Salute to the Flag.

III. Communications/Announcements/Liaison Reports

Austin Simko encouraged residents who want to vote by absentee ballot to go to the Clerk's website and download the ballot. The deadline to register will be ten days before the date of the election, June 9th as of today. Anyone is eligible for voting via absentee ballot.

Chris Huntress acknowledged members of the town departments who are finding ways to creatively communicate with residents.

Laura Gregory said Mike Lundstrum reported to the Board that the Town has been awarded a grant of \$30,000 from the DCR Urban and Community Forestry Challenge Grant for Andover's Tree Inventory and Management Plan, which will hopefully help to address power outages in the future and environmental and beautification of the Town.

IV. Regular Business of the Board

A. COVID-19 Update

The Governor has extended the stay-at-home advisory through May 18th and we are planning to go ahead with the Town Election on June 9th and Town Meeting starting on June 22; there are a lot of logistics to workout beforehand. Andrew may ask the Board to consider holding a date to meet next week, in case we are able to proceed with the June 9th Town Election.

Tom Carbone, thanked the hard work that Sherri Moynihan, Public Health Nurse and retired health nurse Jane Morrissey and Lisa Slattery, a school nurse. Thank you to the IT Department for helping with their technology problems. As of today, there are 211 cases of COVID-19 with 101 active cases; 44% of those cases are associated with senior

care facilities. Anyone who has tested positive, will be getting a call from the Community Tracing Collaborate and one of the Town nurses. If anyone thinks they are positive for COVID-19, the quickest way to get information is to get in touch with their doctor. Laura thanked Tom and all of the members of his department who are working on this situation.

Tom Urbelis reported on the Governor's declaration stating that effective Wednesday, May 6th anyone over the age of 2 who is in a place open to the public in or outdoors must maintain a distance of six feet from another person and must cover their mouth and nose with a mask or cloth, unless a person cannot wear a mask due to a medical situation. This declaration applies to all workers and customers of businesses open to the public considered essential. All persons are required to wear masks at all times inside of any retail stores, or if using any means of mass public transit. If a customer refuses to wear a mask or covering, a business may decline entry to that person. The Andover Board of Health is authorized to enforce this order and may use the assistance of the Andover Police Department.

FY-20 End of Year and FY-21 Budget Planning

The Town Manager provided an update on how they are proceeding with closing out FY-20. Revenue collections are expected to be significantly less in the 4th quarter of the fiscal year and expenses increased due to COVID-19. Planning for FY-21 budget which was voted by the Select Board, Finance Committee and School Committee, but a lot of the assumptions for that budget are no longer in effect due to the result of COVID-19. They are building a new spending plan for next year. The Town Manager's presentation included a slide presentation which is available on the Town's website.

Andrew expects the revenue projections to be reduced for the first quarter of FY-21. They are tracking all of the expenses from COVID-19 as they did during the Columbia Gas disaster. An overview of some of the greatest cost drivers included: expenses incurred from Fire and Police overtime to cover anywhere between 10-15 police/firefighters quarantined due to exposure or not having the appropriate materials for protection, and having to backfill those vacancies. Both Police and Fire have an adequate supply of PPE and guidelines are in place by both Chief's. Calls for assistance have increased.

Solid Waste Disposal: After the first two weeks of closure, waste pickup increased by 30% or about \$24,000 per month, the volume has normalized since the first of May.

Facilities Department: Purchased sanitation supplies and equipment to internally sanitize school buildings without having to go to an outside vendor, which saved a lot of money.

Community Services: Elder Services and Public Safety have been on the frontlines. The number of Meals on Wheels increased from 75 to 130. The increased expense offset by a \$30,000 donation from the Home for Aged People. Thank you to Tom Urbelis who is on their Board.

Fee for Service Basis Departments: All programming for spring (i.e. recreation department) are cancelled and they are awaiting on word from the state about the summer programming. If we are unable to proceed with summer programs, it will be a significant problem; they are watching the revenue for revolving accounts closely.

Local Receipts: They expect local receipts from meals and lodging to be impacted this fiscal year. Restaurants are closed for dine-in services and the hotels are, in large part, vacant with the exception of some arrangements for people displaced or quarantined. License and permit revenue will see a significant shortfall. Motor Vehicle Excise Taxes could show a lag in revenue as people are less likely to be buying new vehicles.

Investment income: This year, Andrew does not expect State Aid to be reduced via 9-C cuts for this year, but he is concerned with 9C cuts occurring next year by the Governor.

They have implemented a town-wide spending freeze and reviewing the process for filling any vacancies open as of April 1, 2020. All non-essential spending is suspended and reviewing any vacancies to determine if they can wait for a clearer picture for FY-21. Andrew does not expect any layoffs or furloughs between now and June 30th.

The Town Manager expects we will end the fiscal year with a positive fund balance. Outside of this fund, the General Fund will be cover the expenses from the Town's response to COVID that will have to be rectified with free cash or any aid from the State for now.

State Aid: They are expecting a \$3.2-\$6.2M shortfall in State Aid with the biggest variable being what we receive for State Aid as it is unclear what the state will do.

They are planning on level funding the budget with a 10% reduction in State Aid and a 20% reduction in State Aid which is essentially a worst-case scenario. Local Receipts will see a significant shortfall based on what we had projected and revenue from new growth may be impacted. It has become quite clear that a decision on State Aid is dependent upon the Federal assistance. Andrew expects we will have more clarity closer to July 1, 2020.

Goal: The modified budget plan will include the excess levy capacity. Andrew shared three scenarios of what the budget would look like; the only difference in each scenario is the potential amount of State Aid.

Scenario A: Level funded State Aid.

\$3.7M shortfall reducing new growth projection by 25%. Includes a 20% reduction in Motor Vehicle Excise Tax and a 25% reduction in local option taxes, 25% reduction in license/permits and a 30% reduction in investment income.

Scenario B: 10% reduction in State Aid.

Scenario C: 20 % a reduction in State Aid.

Overview

Additional appropriation to the Pension Fund in the amount of \$1.7M or less.

Overlay Surplus: Slightly reduce the funds in overlay surplus.

General Liability Insurance will see savings between \$50-\$100,000.

Restructuring Article 5 All Capital Improvement Projects to be funded from cash

1. Essential and critical capital will be funded but from a different source.
2. Conditional authorization to be approved with the condition that funds cannot be spent until April 1, 2021, when we know if there will be 9C cuts in addition to the reduction in State Aid.
3. Delayed capital to subsequent fiscal years.

Andrew convened a budget planning working group of senior managers who have been working through a process of identifying, evaluating, and prioritizing items with the goal to maintain service and staffing levels. This extends to the School Department as well.

In summary, the modified plan in place assumes the worst-case scenario, and the plan as designed will be more granular with regards to numbers as we get further along.

Andrew took a deep dive into what happened in the subsequent years of 2009 and 2010 and developed a budget that could withstand a similar impact.

They will preserve Free Cash as planned (\$6M), maintain additional appropriation to the pension fund but at a lesser amount, not \$1.7M at this time. The modified plan will not impact our major capital projects, and will not impact our major projects in the works (Ballardvale Fire Station/Senior Center Renovation) and the water projects, road work, and downtown infrastructure work will continue as planned. This situation has required us to take a deep dive which we feel will allow us to weather the storm.

Alex Vispoli: He did not see the actual tax rate that we have been using as a metric, what is the impact of the tax rate we voted. Andrew said that based on the plan he just reviewed, there will be no change to the projected tax rate. Alex spoke about the increase of valuations due to the work done by Columbia Gas. Andrew replied that they could shift the tax and will have to take a hard look at that well prior to setting the tax rate.

Chris Huntress: Asked for clarification on the option to reduce additional appropriation to the pension fund that the Town Manager hoped not to have to do. Chris asked that we all keep an eye on that which will be effected by the market and make the problem worse than what it already is.

Dan Koh: Is there anything with the administration of Town services reduced with people not being out and about town. Andrew said they are seeing very real savings with the schools, library and public buildings being closed. Parks and grounds continue to be maintained. An area of concern is what the Town/School obligations are for contracts.

Annie Gilbert: It is still unknown as to how schools will re-open in the fall, from a budget planning standpoint for FY-21, is there a way to factor in any of those contingencies. Andrew said they are putting together a Re-opening Task Force for schools and town facilities. Mike Lindstrom will be the Co-chair for the Town. Those contingencies are things they are working through but are not sure what the costs are associated with it.

Laura Gregory: What sort of timeline are you anticipating? Andrew would like to present a plan to the Board on May 18th and include some of the flex spending scenarios on State Aid, and to have a series of virtual Town Hall Meetings as part of normal Town Meeting preparation. The Finance Committee is meeting every Wednesday in May.

The Select Board thanked the Town Manager and his Team for all of their efforts.

V. Consent Agenda

A. Appointments by the Town Manager

Chris Huntress Moved to approve that the following appointments by the Town Manager as printed in the Consent Agenda. Dan Koh seconded the motion. Roll call: A. Gilbert-Y, A. Vispoli-Y, C. Huntress-Y, D. Koh-Y, L. Gregory-Y. Motion passes 5-0.

Department	Name	Position	Rate/Term
Police Department	Wayne Nader	Inspector of Animals	Term Expires 4/30/2021

VI. 2020 Board of Selectmen Meetings

A. Annie Gilbert moved that the Board accept the meeting dates as presented: May 18, 2020, June 1, 2020, June 15, 2020, July 13, 2020, August 3, 2020, and August 17, 2020.

The motion was seconded by C. Huntress. Roll call: D. Koh-Y, C. Huntress-Y, A. Gilbert-Y, A. Vispoli-Y, and L. Gregory-Y. Motion passes 5-0.

VII. Adjourn

At 7:54 P.M. Dan Koh moved to adjourn from the Select Board Meeting of May 4, 2020. The motion was seconded by Alex Vispoli. Roll call: C. Huntress-Y, A. Gilbert-Y, A. Vispoli-Y, D. Koh-Y, L. Gregory-Y. Motion passes 5-0.

Respectfully submitted,

Dee DeLorenzo
Recording Secretary